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Supreme Court of the United States

OCTOBER TERM 1941

No. 953

315 U.S. 819

ARCADIA KNITTING MILLS, INC.,
Respondent,

vs.

PRINCETON KNITTING MILLS, INC.,
Petitioner.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Princeton Knitting Mills, Inc., respectfully prays for a Writ of Certiorari to the Circuit Court of Appeals for the Second Circuit to review the final judgment or decree of that Court entered on January 16, 1942 (R. 461), holding invalid the broad claims 2 and 4 of Patent No. 2,123,847 for an Inlaid Knitted Fabric, because of *prior use* by respondent, and holding the specific claims 1 and 3 invalid for want of invention in view of the invalidity of said broad claims. A petition for rehearing (R. 445) was denied January 8, 1942 (R. 460).

A certified transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with Rule 38 of this Court.

Summary and Short Statement of Matter Involved

Preliminary

The decision of the Court of Appeals in this case, which turned on the question of the *prior use* by respondent of the invention of the broad claim 2, presents a square conflict with a long line of decisions of this Court and the Circuit Courts of Appeal of other Circuits* respecting the degree and sufficiency of the proofs required of a defendant who sets up a defense of prior use in a patent suit and which decisions have established the doctrine, generally regarded as a rule of patent law,

> "that one otherwise an infringer who assails the validity of a patent fair upon its face bears a heavy burden of persuasion, and fails unless his evidence has more than a dubious preponderance."

Furthermore, in considering the proofs of *prior use* set up by respondent herein, both of the lower Courts have singularly ignored the "general rule" of evidence,† which is of universal application, as reaffirmed by this Court almost a century ago in the case of *Clifton* v. *United States*, 4 How. 247, respecting the degree of credit to be accorded to "inferior proofs" where the "better evidence" is withheld by a party who has it in his possession or power to produce.

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* *Radio Corporation of America* v. *Radio Engineering Laboratories*, 293 U. S. 1, and the decisions of the various Circuit Courts of Appeal cited therein; also *Philippine Sugar E. D. Co.* v. *Philippine Islands*, 247 U. S. 385, 391; *Cantrell* v. *Wallick*, 117 U. S. 689, 695; *Coffin* v. *Ogden*, 85 U. S. 120, 124; *The Barbed Wire Patent Case*, 143 U. S. 275, 285; *Deering* v. *Winona Harvester Works*, 155 U. S. 301, 302; *Beckwith* v. *Malleable Iron Range Co.*, 189 Fed. 74 (C. C. A. 7th), and *Pieper* v. *S. S. White Mfg. Co.*, 228 Fed. 30 (C. C. A. 7th).

† "One of the general rules of evidence of universal application, is that the best evidence of disputed facts must be produced of which the nature of the case will admit. * * * Even in cases where the *higher* and *inferior* testimony cannot be resolved into primary and secondary evidence * * * the same presumption exists in full force and effect against the party withholding the better evidence, especially when it appears, or has been shown, to be in his possession or power, and must and should in all cases exercise no considerable influence in assigning to the *inferior* proof the degree of credit to which it is rightfully entitled."

The decision of the lower Court, insofar as it holds that the validity of the specific claims 1 and 3 "depends upon that of claim 2", which latter it held invalid because of prior use, is also in direct conflict with a uniform line of decisions of this Court and other Circuit Courts of Appeal* that establish certain elementary tests of invention which can be successfully applied to the situation presented by the record herein, where it appears there was a complete abandonment by respondent, before the issuance of the patent, of its alleged *prior use* fabric structure, followed by slavish copying and immediate wide sales by respondent of the exact fabric structure covered by claim 1, the most specific claim.

The situation thus created by the decision of the lower Court raises questions which, for the reasons hereinafter set forth, it is submitted are under the rules of this Court proper for its review.

A Suit Under Declaratory Judgment Act

This suit was instituted against petitioner by respondent, Arcadia Knitting Mills, Inc., under the Declaratory Judgment Act (Title 28, U. S. C., § 400) to have declared invalid the patent in suit No. 2,123,847 owned by petitioner, which issued July 12, 1938, pursuant to Section 4886 R. S. In its answer, petitioner set up a counterclaim (R. 11) charging respondent with infringement of said patent. The sole issue is that of validity, the respondent having conceded infringement of all four claims of the patent, if valid (R. 420).

The Patented Fabric

The patented fabric, commercially marketed as Fluff Knit, consists essentially of a jersey cloth base having

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* *Minerals Separation, Ltd.* v. *Hyde*, 242 U. S. 261; *Incandescent Lamp Patent Case*, 159 U. S. 465; *Diamond Rubber Co.* v. *Consolidated Tire Co.*, 220 U. S. 428, 441; *Duplate Corp* v. *Triplex Safety Glass Co.*, 42 F. (2d) 739 (C. C. A. 3rd); *Hartford Empire* v. *Swindell Bros., Inc.*, 39 U. S. P. Q. 87 (C. C. A. 4th); *Steiner Sales Co.* v. *Schwartz Sales Co.*, 98 F. (2d) 999 (C. C. A. 10th).

loose yarns inlaid therein so as to form a novel sequence in successive courses* of the loops of the jersey fabric to form a series of "floats" and "inlays" in alternate wales† thereof. Jersey cloth is one of the oldest forms of knitted fabrics, having originally been knitted by hand, and the chief defect of such jersey cloth as is well known by every wearer of silk stockings, which are typical examples of a jersey knitted fabric, is the inherent tendency of the same to *run* or form so-called *ladders*. As specified in the patent (R. 405):

> the fabric is "simple and easy to manufacture, flexible and elastic, non-crushable" (i. e., it will not mat when washed and ironed), "substantially *run-resisting* and very efficient and *durable* in use * * * the improved knitted fabric may be made on an ordinary plain knitting machine without employing complicated mechanisms or special attachments * * * the floats 46 and 48, and inlaid loops 45 and 47 will provide loose floats and loops which may be readily napped to give the fabric woolly characteristics."

As stated by the inventor, Fleisher, the effect of the invention on employment in petitioner's mill was to double the payroll of previous years (R. 285).

The fabric structure can be better appreciated by an inspection of the photomicrograph of the "float" face, before napping, of the patented Fluff Knit comprising Princeton Exhibit G-1 ‡ (offered, R. 202) in the black Princeton Exhibit Book handed up to this Court as a Physical Exhibit and a section of which exhibit, for convenient reference, is reproduced on page 33 of the appendix herein. Also, the highly desirable characteristics of this fabric can be best realized by an inspection of Princeton Physical Exhibit C (offered, R. 131), which is a Sleeping Garment made of

* A course constitutes a horizontal or transverse row of such loops of the jersey base fabric.

† A wale constitutes a vertical or upright row of loops of the Jersey base fabric.

‡ For better contrast, black yarn was employed in Exhibit G-1 for the "loose inlaid yarns" which form the "floats" and "inlays", and white yarns for the jersey base fabric of this exhibit.

the patented fabric and which exhibit has been certified to this Court by the Clerk of the Circuit Court of Appeals as being one of the Physical Exhibits handed up to that Court.

Referring to Exhibit G-1, if one will follow the paths of the black yarns it will be observed that they produce a series of alternate floats and inlays, each of which extends across but a *single* loop of the base fabric, the floats spanning the *face* of a loop and the inlays being, as the name implies, laid in against the *crown* of a loop in such a manner as to snugly hug the same, thereby creating effective run-resistance areas wherever these inlays so hug the loops of the jersey fabric, thus serving to materially retard the formation of runs or ladders in the fabric if a loop of the jersey base fabric so hugged or enveloped by the inlay is ruptured. This is especially true after the fabric has been napped (R. 203).

In this Exhibit G-1 it clearly appears that a distinct *combination* occurs between the loops of the jersey base fabric and the "inlays", which, as stated, *snugly hug* the *crowns* of the base fabric loops. In other words, the base fabric loops co-operate with the inlays to produce a new result—high resistance to runs—and, furthermore, the "floats" and "inlays" are so disposed as to insure, during the napping of the fabric, the interlacing of the fibres of adjacent floats with each other and adjacent inlays with each other as well as with the base fabric loops snugly hugged as aforesaid by these inlays, with the result that the finished napped fabric has not only remarkable "woolly characteristics", as specified on page 2 of the patent, column 2, but has innumerable run-resistance areas throughout the same.

For the first time the invention gave to the public a fabric which possessed all the desirable characteristics of jersey cloth without the accompanying undesirable tendency of such jersey cloth to "run" or form "ladders" when one of the threads of any loop of the jersey base fabric was rup-

tured. The *loose* inlaid yarns of the patented fabric when napped in the usual manner impart woolly characteristics thereto (Patent in suit, p. 2, col. 2—Arcadia Ex. 60, R. 425, offered, R. 51) even when the fabric is composed entirely of rayon, whereas if it be attempted to nap a plain jersey fabric made of rayon, the napping operation ruptures the fabric and the fabric structure is destroyed (R. 196).

The Commercial Success of the Patented Fabric

The patented Fluff Knit has been sold in enormous quantities by petitioner. As found by the District Court:

> "It appears that Fluff Knit was first marketed in 1938, during which year 300,000 lineal yards were sold; in 1939 the sales were 1,594,000 yards and in 1940 up to December 1st, 3,146,895 yards. The counsel for Arcadia Knitting Mills, Inc. has *conceded* the commercial success of this fabric, Fluff Knit" (R. 427).

The Proofs as to the Alleged Prior Uses

(a) The proofs as to the Elkind prior use.

The respondent, referred to herein as "Arcadia", in addition to relying on its own alleged prior use, endeavored to show prior use by another manufacturer, Elkind Knitting Mills, Inc. The District Court held (R. 422) it was "*convinced beyond any reasonable doubt* that * * * the Elkind Knitting Company produced and *sold* a *similar* fabric during 1932 and 1934". (The term "similar fabric" referring to a fabric having the exact arrangements of "floats" and "inlays" of broad claims 2 and 4.)

This holding by the District Court is not only without any support in the record but the Court of Appeals in its decision did not deign to dignify it by even alluding to such Elkind prior use. The president of the Elkind Knitting Mills, Inc., the only witness interrogated as to any "*sales*" of these Elkind cloths which, as he states at record page 33, were made "during those years that we were *experimenting* and developing these fabrics", testified:

> "Some of them we sold in fairly large quantities. Some of them we haven't * * * I wouldn't be able to tell you *unless* I saw some *records*" (R. 38).

No records to show such *sales* were offered in evidence and no other witness was interrogated as to any sales by Elkind Knitting Mills. So much for the proofs of the alleged Elkind prior use!

(b) The proofs as to the Arcadia prior use.

In said decision of the District Court, Judge Goddard also held:

> "I am convinced beyond any reasonable doubt that Arcadia produced and sold in 1936 and 1937 to some sixteen manufacturers approximately 35,000 yards of cloth, known as 'Arcadia 1838', and small amounts of *two other* fabrics referred to as 'Arcadia 2294a' and 'Arcadia 2362' respectively, all of which had the exact arrangements of floats and inlays of claims 2 and 4" (R. p. 422).

It clearly appears that the Court of Appeals did not deem worthy of serious consideration the two Arcadia fabrics 2294A and Arcadia 2362, referred to in the above-quoted portion of the decision of the District Court, of which the group of invoices comprising Arcadia Physical Exhibit 80 (offered, R. 301), show that a maximum of but 35 lbs. were ever allegedly shipped, and confined its consideration of the *prior use* defense to Arcadia Fabric "1838" for, obviously, any use to which these two fabric structures were put was at most merely *experimental.* These fabrics, 2294A and 2362, were in the same category as the aforesaid Elkind experimental fabrics.

The respondent admitted, at Record page 420, that *none* of the invoices relied upon to show prior use by Arcadia "include a cloth which covers the diagram grouping identified by the numeral 1 on the blackboard" (see diagram Arcadia Ex. 56, offered, R. 44, reproduced in the Opinion of the District Court at R. 421). This was the structure which represents the grouping of "floats" and "inlays"

claimed in the specific claims 1 and 3 of the patent. Although the District Court did not hold that any prior structure made by Elkind or Arcadia showed this "float" and "inlay" arrangement covered by claims 1 and 3, yet nevertheless held the same invalid because, as stated in its decision:

> "The making of a fabric with an old arrangement of floats and inlays only *one* needle wide, instead of *two* or *three* needles wide, does not seem to me to amount to invention in view of the highly developed state of the art of knitting" (R. 423).

The Respondent's Witnesses

The president and general manager, Isidor Reinhard, of the respondent corporation (R. 310), who dominated all of its activities, was shown to be unworthy of belief by the proof as to his false written statement to Mr. Eader, of the Eader Textile Corporation, in his letter of March 21, 1940 (Princeton Ex. D, R. 411, offered, R. 150), wherein he stated:

> "This *new* cloth was adopted by Munsingwear * * * and Julius Kayser and Company from whom we have *already* received large orders to be delivered later on."

These companies were two of the largest manufacturers of knitted underwear. Not only did Mr. Olrich, president of Munsingwear, deny doing any business with *any other concern than Princeton* on these fabrics in 1940 (R. 239) but even Reinhard himself subsequently admitted the falsity of this statement (R. 186, 187, 189). The doctrine of "Falsus in uno, falsus in omnibus" definitely applies to this witness.

All the other witnesses who testified as to the alleged *prior use* by Arcadia, with the single exception of Meyer Miller, were employees of Arcadia. The witness Miller was merely called to testify as to a purchase of 1 lb. 13 ozs. of Arcadia Fabric 1838 which he states was made up into a couple of polo shirts but could not state if his concern placed any re-orders for this fabric (R. 384).

Arcadia Fabrics "1838" and "1838 New Setup".

The respondent introduced in evidence, as Arcadia Physical Exhibit 64G (offered, R. 81), a folder dated November 16, 1936, which contained a small sample or so-called "swatch" of fabric identified therein as "1838 *new* setup", and contained also written tabulated data showing the structure of such fabric. The only witness that testified on behalf of respondent who was familiar with the structure of its fabrics was Joseph Wald, the foreman of the knitting department at the respondent's mills (R. 92). He testified:

> "Every folder has the date *when the sample* was made up" (R. 93).

When asked, what is the date when the folder Exhibit 64G was *made up,* he answered:

> "11/16/1936" (R. 93).

This was the date *on* this folder 64G and it is this folder that discloses the structure of the fabric "1838 *new* setup". The witness Wald was never interrogated as to whether this fabric "1838 *new* setup", disclosed in folder 64G, ever went into *production* but he did state, at Record page 95:

> "after a cloth is *approved* then we get a *number* from the office and then we attach this number to the swatch."

Now the "number" given this swatch in folder 64G, as shown by an inspection of this folder, is, as above stated, "1838 *new* setup".

The respondent also introduced, as Physical Exhibits, said invoices (Arcadia Ex. 80) to show sales of a fabric "1838", the fabric which the Court of Appeals characterizes as the "supposititious earlier fabric * * * of which we have no trace" (R. 444). No invoices showing any *sales* of the aforesaid fabric "1838 *new* setup" shown in said folder Exhibit 64G were produced by respondent.

The witness Miss Crouse, who was in charge of the office of respondent, read into the Record, at pages 387-390, the

names of customers purchasing this "earlier" fabric, identified as "1838", and also the total amount of shipments of this fabric "1838" for the years 1936, 1937, 1938 and 1939, all in addition to those shipments of the fabric "1838" covered by the aforesaid invoices, Arcadia's Exhibit 80. Upon an inspection of these invoices, Arcadia's Physical Exhibit 80, it will be observed, and this is of especial significance, that as stated by the Court of Appeals, it made three sales of fabric "1838" on September 9, October 15 and October 26, 1936 (R. 443) and that the earliest sale was over two months before the date on folder 64G relating to the "*new* setup" of 1838.

No shipments whatsoever of cloth "1838" were made during the entire year 1938, the year the patent issued, and no shipments of this fabric "1838" were, in fact, made after April 23, 1937, except trivial shipments of 1 lb. 8 oz. thereof to Gilbreath Mfg. Co. on July 9, 1937, and 1 lb. 13 oz. to Blum & Co. on October 28, 1937 (R. 389), and finally a single "job lot" of 206 lb. 9 oz. shipped to Tamaqua Underwear Co. on March 4, 1939 (R. 400), apparently made to rid the shelves of respondent of the last remnant of this old "1838" fabric.

The witness Miss Crouse was the *only* witness who was interrogated as to the *structure* of this fabric "1838". She stated that the respondent's cloth "1838" was of the *same* construction as the cloth "1838 *new* setup" (R. 391-393).

The absurdity of her contention that the earlier cloth "1838" was the same as "1838 *new* setup" is not only self-evident but is clinched beyond any possibility of escape by the previous testimony of this same witness who when asked what was meant by the notation

"our No. 2 sample of new setup of 1083"

which appears in the uper left-hand corner of the folder of Arcadia Physical Exhibit 64-I (another one of the folders relating to fabrics respondent had produced experimentally) stated:

"apparently there was a *change* made in the *construction* of 1083 and the information on this folder would *show* our *new* setup of 1083".

Note: The term "setup" is the expression used in the knitting industry to refer to the mechanical setup or setting of the machine (see references to this term at record pp. 434, 48, 49, 52).

Furthermore, since as above stated on page 9 of this petition, the cloth "1838 new setup" described in the aforesaid folder 64G was never even conceived of, according to the said witness Wald, the foreman of the knitting department, until November 16, 1936 (the date of this folder), or at the most but a day or two earlier, it therefore could not possibly be, as erroneously held by the District Court, of the *same construction* as the cloth "1838" because the latter cloth, as above explained, was actually sold September 9, 1936, over *two* months before this first swatch of the fabric "1838 *new* setup" contained in folder 64G was even first made up, experimentally.

The Respondent's Fabric No. 1078

The respondent commencing some time after October 12, 1938, the date of the folder comprising Arcadia Physical Exhibit 63 (offered, R. 68), which relates to its fabric 1078, has sold "millions of yards" of this fabric 1078 (R. 330) and such fabric 1078 has the three-and-three succession of "floats" and "inlays" referred to in the decision of the Court of Appeals (R. 442, 443) and is structurally a slavish copy of the fabric structure of the specific claim 1 of the patent as well as being *identical* with petitioner's Fluff Knit. Respondent concedes this fabric infringes all four claims in issue, if valid (R. 22, 70, 420).

Whatever was the construction of respondent's fabric "1838" which the District Court held

"had the exact arrangements of floats and inlays of claims 2 and 4"

and which the Court of Appeals characterized as

> "*supposititious* earlier fabric * * * of which *we have no trace*" (R. 444),

no further sales of this fabric "1838" were made during the entire year 1938 (R. 389), the year respondent brought out its infringing fabric No. 1078 of which it sold millions of yards, and but a *single* sale of fabric 1838 was ever thereafter made, this being the "job lot" sold on March 4, 1939 (R. 389, 400).

The respondent did not introduce any evidence to show that it ever knew or appreciated or stated in any letters to its customers that Arcadia fabric "1838 new setup" shown in folder Arcadia Exhibit 64G, possessed any unusual or advantageous characteristics or qualities or that it advertised such fabric in any trade publication or newspaper. Although petitioner's patented fabric Fluff Knit was featured extensively by its customers at their own expense both in booklets published by its customers and in advertisements in the daily press (see Princeton Physical Exhibits E2-E6, offered, R. 152), yet petitioner's total expenditure for advertising its patented Fluff Knit was but $2,000 to $2,500, this representing the cost of its own advertisements totalling but about four pages (R. 185).

Petitioner Did Not Have Access to Respondent's Files

The Court of Appeals held (R. 444) the defendant was allowed access to all of the plaintiff's files and did not produce any other folder "1838". There is no support whatsoever in the record for this holding. The only files to which petitioner had access were those folders, invoices and record sheets which respondent brought into court. These were critically examined by counsel for petitioner and none of them had any reference to the structure of the fabric "1838" or what the Court of Appeals terms "the supposititious earlier fabric * * * of which we have no trace".

Jurisdiction

The date of the final judgment to be reviewed is January 16, 1942. The judgment was rendered in a civil cause brought under the Declaratory Judgment Act (Title 28 U. S. C. §400) as specified ante, page 3.

The statute under which the jurisdiction is invoked is 240(a) of the Judicial Code, 28 U. S. C. 347, as amended by the Act of February 13, 1925 (43 Stat. 938).

Cases believed to sustain the jurisdiction and particularly cases wherein this Court has allowed writs of certiorari, notwithstanding the concurrence of decisions below and absence of conflicting decisions on the same patent of different Circuit Courts of Appeal, because of a conflict with decisions of other Circuit Courts of Appeal on the same matter or question of patent practice, are: *Milburn Co.* v. *Davis Co.*, 270 U. S. 390; *Rice & Adams Corporation* v. *Lathrop*, 278 U. S. 509; *Goshen Mfg. Co.* v. *Myers Mfg. Co.*, 242 U. S. 202; *American Fruit Growers, Inc.* v. *Brogdex*, 283 U. S. 1.

Other cases believed to sustain jurisdiction because of the subject matter presented by this petition are: *Radio Corporation of America* v. *Radio Engineering Laboratories*, ante, page 2, on the question of the degree and sufficiency of proofs to establish a defense of prior use; *Clifton* v. *United States*, ante, page 2, as to the "inferior degrees of proof" and the credit to which the same is entitled; *Minerals Separation, Ltd.* v. *Hyde*, ante, page 3, on the question of the validity of specific claims notwithstanding invalidity of broad claims.

Reasons Relied Upon for the Allowance of the Writ

The discretionary power of this Court is invoked upon the following grounds:

1. The decision of the Circuit Court of Appeals for the Second Circuit in the instant case directly conflicts with the weight of authority and the applicable decisions of the Courts of Appeal of other Circuits and of this Court on the same matter, but not involving the same patent.

2. The Court of Appeals for the Second Circuit in the instant case has decided an important question of Federal law, namely, patent law, in a way which is untenable and in direct conflict with applicable decisions herein cited of various Courts of Appeal in other Circuits and of this Court.

3. The Court of Appeals for the Second Circuit in the instant case has decided an important Federal question, namely, a question of patent practice respecting the degree and sufficiency of proofs required of a party who sets up a defense of prior use to invalidate the claims of a patent, in a way in direct conflict with the applicable decisions of this Court and especially the decisions of *Radio Corporation of America* v. *Radio Engineering Laboratories,* 293 U. S. 1; the *Barbed Wire Patent Case,* 143 U. S. 275, and other decisions cited on pages 2 and 3 of this petition.

4. The Court of Appeals for the Second Circuit in the instant case has decided an important Federal question, namely, a question of patent practice respecting the degree of credit to be given to "inferior" proofs produced by a party who has it in his possession or power to produce "superior" proofs, in a way in direct conflict with the applicable decisions of this Court, notably *Clifton* v. *United States,* 4 How. 247.

5. The Court of Appeals for the Second Circuit in the instant case has decided in a way in direct conflict with applicable decisions of this Court, an important Federal question, namely, a question of patent practice respecting the degree of credit to be given, in determining the patentability of specific claims of a patent over a broad claim held invalid because of prior use, to proofs which conclusively establish that the party setting up such prior use as a defense abandoned the prior use structure, prior to the issuance of the patent, and after such issuance slavishly copied and made large sales of the exact structure covered by the most specific claim of the patent.

6. There is a direct conflict between the decision of the Circuit Court of Appeals for the Second Circuit in the instant case and the decisions of the Courts of Appeal in other Circuits and of this Court respecting the matter of the validity in patent cases of specific claims notwithstanding the adjudication of broad claims as invalid for *prior use* by a party setting up such a defense, where it is shown there was an abandonment by such party of the prior use structure prior to the issuance of the patent and, after such issuance, slavish copying and extensive sales by such party of the exact structure of the specific claims of the patent whose broad claims have been so adjudicated as invalid. *The Incandescent Lamp Patent Case,* 159 U. S. 465; *Minerals Separation, Ltd.* v. *Hyde,* 242 U. S. 261; *Diamond Rubber Co.* v. *Consolidated Tire Co.,* 220 U. S. 428, and other cases cited in the petition.

7. The Circuit Court of Appeals for the Second Circuit has decided important Federal questions, namely, questions of patent practice, the effect of which is of great importance and interest, in a way in direct conflict with applicable decisions of this Court.

8. The decision of the Court of Appeals for the Second Circuit is in direct conflict with decisions of the Circuit

Courts of Appeal in other Circuits and of this Court on an important question of Federal law involving the rule of patent practice respecting the degree and sufficiency of the proofs required to invalidate the claims of a patent because of prior use.

Questions Presented

1. Whether the Court of Appeals was justified in holding claim 2 of the patent in suit is invalid for prior use, where the proofs of such prior use introduced by respondent were so conflicting that the District Court held that a fabric identified as "1838" which was sold by respondent had "the exact arrangement of floats and inlays of claim 2" whereas the Court of Appeals characterized this same fabric as "the supposititious earlier fabric * * * of which we have no trace"?

2. Whether the Court of Appeals was justified in disregarding the fact that the "dates" appearing in the folders comprising Arcadia Physical Exhibits 64A-J are, as stated by the witness Wald (the only witness interrogated on this point), the dates when each folder was made up (R. 93) and therefore such date in the case of Arcadia Ex. 64G, relating to the Arcadia cloth "1838 new setup", has no relation whatsoever to the date *when* the cloth was "approved for production", it appearing that one of these folders, viz: Arcadia Physical Exhibit 64A (offered, R. 80), is *dated* but it *lacks* any identifying "number" for the swatch of fabric therein because, as stated by the witness Miss Crouse, "It has not been approved for production" (R. 80)?

3. Whether the Court of Appeals was justified in holding that fabric "1838 new setup" constituted a prior use of the patented invention, where a mere folder containing a swatch of fabric and a description of its structure (Folder 64G, 1838 *new* setup) was introduced in evidence and no

proof whatsoever was offered to show when such fabric so disclosed in the folder first went into production and especially whether it went into production before the date of the patent in suit, but respondent relies exclusively upon sales of an *earlier* fabric "1838" first sold over *two* months before the date said folder was made up, which fabric "1838" a woman witness, the office manager of respondent, admittedly unfamiliar with fabric structure, testified was of the identical structure as "1838 new setup" and yet this same witness had previously testified when interrogated as to the meaning of the term "new setup" with respect to a similar comparison of a fabric "1083" and another folder (Arcadia Physical Ex. 64I, offered, R. 81) containing fabric "1083 new setup" that: "Apparently there was a *change* made in the *construction* of 1083 and the information on this folder would show our *new* setup of 1083"?

4. Whether the Court of Appeals was justified in holding claims 1 and 3, the specific claims of the patent, invalid because it had found broad claim 2 invalid for *prior use* by respondent, where the Record shows that the alleged structure of such prior use concededly was of a different structure from that covered by the specific claims 1 and 3 and was abandoned during the entire year 1938, the year the patent issued, and respondent after the issuance of the patent slavishly copied the exact structure of petitioner's commercial fabric which was covered by claims 1 and 3, and which structure was the only one illustrated in the patent, and admittedly thereafter sold *millions of yards* of fabrics having the exact structure so copied, and respondent also has conceded the commercial success of petitioner's patented fabric so copied?

5. Whether the Court of Appeals was justified in holding:

> "There is no reason to suppose that any popularity which the fabric enjoyed depended upon the successions of Claims One and Three; that is, that they made a more acceptable fabric than that which Claim Two

> added. The specifications do not suggest any superiority of one over the other; and it is plain that all are open to anyone's choice, provided the 'one and one arrangement' itself is open"

where the three-and-three succession of "floats" and "inlays" which is the succession of claim 1 was the only form of the invention illustrated in the drawings of the patent; where the inventor especially emphasizes the function and the importance of the three-and-three succession in the specification and deemed this form of the invention so important that two of his four claims were drawn to cover specifically the three-and-three succession (claim 1) or else what the Court terms "successions which are the same in each repeat" (claim 2)?

6. Whether specific claims 1 and 3 of the patent in suit, which cover a fabric structure undisclosed in any prior use fabric alleged to have been sold by respondent, can properly be held invalid because the broad claim 2 is held anticipated by such prior use fabric notwithstanding the fact that the respondent completely abandoned the sale of the fabric, alleged to constitute such prior use, months prior to the issuance of the patent in suit and upon the issuance of the patent slavishly copied and made huge sales of the exact fabric structure covered not only by claim 1, the most specific claim of the patent in suit, but also by claim 2 the other specific claim of the patent?

7. Whether the Court of Appeals was justified in holding broad claim 2 of the patent in suit invalid for prior use by respondent, where the Record herein shows that

(a) "inferior" testimony was wholly relied upon to prove such prior use; and

(b) where sale of the structure alleged to constitute such prior use was abandoned by respondent months prior to the issuance of the patent in suit and immediately after such issuance of the patent respondent slavishly copied the fabric structure covered by claim 1, the most specific claim of the patent, and made huge sales of such copied structure?

8. Whether the Court of Appeals was justified in holding broad claim 2 of the patent invalid for prior use by respondent on the ground that

> "Certainly some fabric must have been in the folder on November 1, 1936, and that fabric must have been what was sold as '1838' at that time and later, not the supposititious earlier fabric for which it was substituted and of which we have no trace" (Opinion, R. 444)

when there was no proof offered to show that the fabric "1838 new setup" shown in such folder, dated November 16, 1936, was either ever "approved for production" before the date of the patent in suit or was ever actually sold commercially and there was no proof offered to show that respondent ever recognized or appreciated that the fabric "1838 new setup" possessed any unusual qualities or characteristics?

9. Whether the Court of Appeals was justified in holding claim 2 of the patent invalid for prior use by respondent and that the validity of all the claims depends upon that of claim 2, where it appears from the record that the respondent abandoned sales of its prior use structure prior to the issuance of the patent in suit and made no sales whatsoever thereof during the entire year 1938, the year the patent issued, but after the issuance of the patent in suit slavishly copied the structure covered by the most specific claims 1 and 3 of the patent and made huge sales of the copied structure?

Concerning the Importance of the Questions Presented

The Circuit Court of Appeals has decided important questions of Federal law in a manner which makes it possible for any unscrupulous defendant in a patent suit, without resorting to perjury or forgery, to establish prior

use of a patented invention and defeat any meritorious patent.

Unless corrected, the decision herein of the Circuit Court of Appeals for the Second Circuit, because of its outstanding position due to the fact that more patent cases are brought there than in any other Court, will establish a dangerous precedent, sure to be followed by District Courts and many Courts of other Circuits and as a consequence inventors who create and industries which develop and market their inventions, all of whom lean heavily upon the uniform and correct application of the patent laws, will be unjustly confused and discouraged by the rulings of the Court of Appeals both as regards the invalidity of the broad claims, because of prior use, and the specific claims because of such invalidity of the broad claims, just at a time when the Government through the recently established National Inventors' Council is bending every effort to encourage invention in the interest of National Defense.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari to review the judgment of the Circuit Court be issued out of and under the seal of this Court, directed to the United States Circuit Court of Appeals for the Second Judicial Circuit, sitting at New York, New York, commanding said Court to certify and send to this Court, on a day to be designated, a full transcript of the record and all proceedings of the Court of Appeals had in this case, to the end that this case may be reviewed and determined by this Court; that the judgment of the Court of Appeals for the Second Circuit be reversed, and that petitioner be granted such other and further relief as may seem proper.

Dated, February 14, 1942.

W. HASTINGS SWINARTON,
Attorney for Petitioner.

BENJAMIN JAFFE,
of Counsel.

BRIEF IN SUPPORT OF WRIT OF CERTIORARI

I. Opinions of the Courts Below

The decision of the Circuit Court of Appeals for the Second Circuit is reported at 124 Fed. (2d) 330 and is printed at Record pages 442-444.

The opinion of District Judge Goddard is reported at 39 Fed. Supp. 153 and is reported at Record pages 419 et seq.

II. Jurisdiction

The statute under which the jurisdiction of this Court is invoked is 240(a) of the Judicial Code, 28 U. S. C. 347, as amended by the Act of Congress of February 13, 1925 (43 Stat. 938).

The cases believed to sustain jurisdiction as set forth at page 13 of the Petition.

Judgment was rendered in a suit brought by respondent under the Declaratory Judgment Act, Title 28, U. S. C., par. 400, to have declared invalid Fleisher Patent No. 2,123,847, in which action petitioner sets up a counterclaim charging infringement and praying for the usual equitable relief.

The date of the judgment sought to be reviewed is January 16, 1942 (R. 461).

A Petition for Rehearing (R. 445 et seq.) was denied January 8, 1942 (R. 460).

Statement

The facts material to the consideration of the questions presented are believed to be sufficiently stated in the Petition.

III. The Statutes Involved

The pertinent provisions of the statutes are printed in the appendix at page 33.

Specification of Errors

The specification of errors which your petitioner will urge if the Writ of Certiorari is granted are

That the Circuit Court of Appeals for the Second Circuit in the instant case erred:

(1) In holding claim 2 of the patent in suit, No. 2,123,847, invalid for prior use by the respondent of its fabric "1838 new setup".

(2) In holding that the "validity of all the claims depends upon that of Claim Two".

(3) In holding that the fabric in the folder, Arcadia Exhibit 64-G, relating to its fabric "'1838 *new* setup' must have been what was sold on November 16, 1936 (the date in said folder) and later as '1838', not the supposititious earlier fabric for which it was substituted and of which we have no trace".

(4) In holding that "there is no reason to suppose that any popularity which the fabric enjoyed depended upon the successions of Claims One and Three; that is, that they made a more acceptable fabric than that which Claim Two added. The specifications do not suggest any superiority of one over the other".

(5) In affirming the judgment of the District Court.

(6) In failing to hold all the claims valid and infringed by respondent.

(7) In not holding that the specific claims 1 and 3 did not depend for their validity on claim 2 and that the same are valid and infringed by respondent.

(8) In not reversing the judgment of the District Court and sustaining petitioner's counterclaim and granting the relief prayed for therein.

Argument

In the interest of brevity many of the issues raised in the Petition have been presented so as to virtually speak for themselves. Moreover, in the Petition for Rehearing to which this Court is respectfully referred (R. 445 et seq.) we have summarized essential facts which show that the Record herein utterly fails to support the holdings of the Circuit Court of Appeals that

> "The plaintiff put in evidence a 'folder bearing date November 16, 1936, which contains a fabric anticipating Claim Two' ", and
>
> "Certainly some fabric must have been in the folder of November 16, 1936, and that fabric must have been what was sold as '1838' at that time and later, not the supposititious earlier fabric for which it was substituted and of which we have no trace."
>
> "If Claims Two and Four were anticipated, Claims One and Three are also invalid, because whatever useful novelty there was in the invention lay in what is known as the 'one and one arrangement'."

As stated in the Petition, page 5, the structure of the patented fabric can best be appreciated by a consideration of Princeton Exhibit G-1, which is a photomicrograph of the "float" surface of petitioner's Fluff Knit, this being the trade-mark by which the petitioner's patented fabric is known to the trade. Also, as stated in the petition, the important and highly desirable qualities or advantages of

Fluff Knit can be quickly realized by an inspection of the Lady's Sleeping Garment, Princeton Exhibit C, certified to this Court as a Physical Exhibit, and which the petitioner's witness, Allen Shepard, produced as being indicative of the products made from petitioner's Fluff Knit by his company, William Carter Company, one of the large underwear concerns and which has been in business for seventy-five years (R. 130).

He explains that prior to purchasing Fluff Knit there had been to his knowledge no such material on the market (R. 132). That this fabric Fluff Knit had been an important contribution to the business of his concern. He states: "In fact it has been important up to the limit of our present capacity for this type of merchandise" (R. 133). He states that his concern purchased 97,000 lineal yards of Princeton Fluff Knit in 1939 and 185,000 yards in 1940, the same being used for the manufacture of women's, children's and infant's undergarments" (R. 131).

Representative of the stores handling Carter's goods are B. Altman, Arnold Constable, Franklin Simon of New York, Marshall Field & Company, Carson, Pirie, Scott & Company and Mandel Brothers of Chicago (R. 133).

Petitioner's witness, Ernest L. Olrich, president of Munsingwear, one of the largest manufacturers of underwear in the country, states that in 1940 he purchased between 450,000 to 500,000 yards of petitioner's Fluff Knit (R. 241) and that in that year he had purchased it exclusively from Princeton Knitting Mills, although in 1939 and until the summer of that year he had purchased that type of material from Arcadia Knitting Mills (R. 239). He states that Fluff Knit fabrics were eminently satisfactory and were used for manufacturing women's and children's sleeping garments and bed jackets (R. 239). The witness, Doft, president of petitioner, states that in 1938 the sales of Fluff Knit were between 275,000 and 300,000 lineal yards of a width of 52 to 54 inches and that in 1939 the sales were 1,594,000 yards and in 1940, only to December 1st, 3,146,895 yards (R. 148-149). When it is realized that the

defendant sells its infringing cloth, which is of the identical construction with that covered by the most specific claim, for 33¢ a yard (see said letter from Reinhard to Eader Textile Corp. [Princeton Ex. D]), the amount of business which petitioner did in the first eleven months of 1940 is better appreciated, its sales representing over a million dollars worth of business of this fabric in eleven months. Even respondent's counsel conceded the commercial success of Fluff Knit (R. 269).

The Alleged Prior Use by Arcadia

From the facts presented in the petition as to the Proofs of Prior Use by Arcadia, it clearly appears that no witness on behalf of respondent testified that he or she knew that the so-called No. 1838 fabric appearing on invoices, Arcadia Exhibit 80, which was shipped in 1936 and 1937, or the "job lot" shipped in 1939, was made in accordance with any particular machine "setup". This fact, however, is certain—it was not made in accordance with the "setup" shown in the folder produced during the taking of testimony of Wald comprising Arcadia Exhibit 64-G, as this folder does not relate to the quality No. 1838 as specified on the invoices, but as appears by a mere inspection thereof, in column 3 under the heading "Quality", it relates to No. 1838 new setup. This beyond any peradventure of a doubt clearly indicates that the structure of the cloth No. 1838, so specified in the invoices, was a different structure from that of the cloth No. 1838 "new setup" given in this Exhibit 64-G, and most significantly the date on this folder is November 16, 1936—over two months after September 9, 1936, the date of the first invoice introduced to show sales of fabric quality No. 1838 (see Invoice No. 5934 of Arcadia Ex. 80).

The following testimony of Miss Crouse concerning the construction of "new setup of No. 1083" as compared with the construction of No. 1083 is conclusive to the effect

that whatever may have been the structure of this so-called No. 1838 cloth, shipped over two months before the date when the folder, Arcadia Exhibit 64-G, was made up, was different in construction from the "new setup" of No. 1838 shown in Arcadia Exhibit 64-G. She states on her cross-examination:

> "Q. Please refer to Exhibit 64-I and state what this notation in the upper left-hand corner of the cover means: 'Our No. 2 sample new setup of 1083.' A. Apparently there was a change made in the construction of 1083 and the information on this folder would show our new setup of 1083.
>
> "Q. You could not personally swear that none of these records were changed after they were originally made in these folders, could you? A. I could not" (R. 82, 83).

Respondent confined its proof of structure, as distinguished from sales, of its alleged *prior use* fabric "1838", to questions propounded to Miss Crouse, its office manager (R. 78), the same appearing at Record pages 391-395, the following being typical of these questions:

> "Q. Do you have more than one 1838? A. No.
>
> "Q. You are sure there is only one 1838? A. Yes.
>
> "Q. I hand you herewith folder marked Plaintiff's Exhibit 64-G, with the number 1838 on it. Are you sure that the cloth is your cloth 1838?
>
> "Mr. Swenarton: I object to that. She is not qualified to look at a piece of cloth and say it is the same construction.
>
> "Q. You may answer. (Question read.)
>
> "The Court: You are sure that is the cloth which has been designated by the Arcadia Company as 1838, are you?
>
> "The Witness: Yes, your Honor.
>
> "The Court: And that is the same cloth that has been designated as 1838 all through?
>
> "The Witness: Yes, sir" (R. 391, 392).

* * * * * *

"Q. Do you recognize the cloth in the folder 64-G as Arcadia cloth 1838? A. Yes.

* * * * * *

"Do you know the technical construction of this cloth as to float or inlay or anything of that kind? A. No.

"Q. How do you then know that this is your cloth 1838? A. It is identified in our records as 1838. That is the number that has been assigned to that piece of cloth" (R. 393).

Now there were five sales of the cloth 1838 before November 16, 1936, the date which appears in the folder relating to the Arcadia cloth "1838 new setup" comprising Arcadia Exhibit 64-G. The first sale was on September 9, 1936, over two months before the date on said folder 64-G.

The knitting room foreman, Joseph Wald, testified that the *date* on each folder is the date when the sample swatch was *made up* (R. 93). Certainly this cloth "1838 *new* setup" described in folder 64-G was not both *approved* and placed *in production* over two months before the date, November 16, 1936, in folder 64-G, since the witness Miss Crouse states at Record page 79:

"After they" (those in charge) "have *approved* the production of the cloth, the office then assigns a *cloth number* to the cloth, after which cuts are sent to the various selling agents and to the trade * * *

"* * * when the cloth number has been *approved for production,* the number is then assigned to the cloth and this number is given to the knitting room. These numbers are then put on the folder" (R. 79).

She then explains, at Record page 80, that the reason the folder Arcadia Exhibit 64-A has no "number" is that it was *not approved* for production, thus clearly showing that neither the date appearing in this folder 64-A nor the date of "November 16, 1936" in the folder Arcadia Exhibit 64-G relating to "1838 *new* setup" has any reference or relation to the date when the fabric in any such folder *went* into production.

Furthermore this cloth "1838" was first sold September 9, 1936, over *two* months before the date November 16, 1936, or the folder 64-G relating to the Arcadia cloth "1838 new setup" (R. 443).

The "boy" who made up the folders (R. 94) was neither called nor identified and the witness Wald, who was the only witness called by respondent that was familiar with fabric structure, was not even interrogated as to the fabric "1838" of which the swatch in folder 64-G was a "new setup". Instead of that, respondent produced Miss Crouse, who as office manager was necessarily closely associated with its general manager and president Reinhard, referred to at page 8 of the petition, and she made the wholly inconsistent assertion that the fabric "1838" actually first sold on September 9, 1936, over two months before the first swatch of fabric "1838 new setup" was first made up experimentally, was of the *same* construction as the fabric "1838". She never made the contention found in the decision of the Court of Appeals, that the fabric "1838 new setup" was "*substituted* for the earlier fabric" "1838" of whose construction "there is *no trace*" in the Record. She did however, as previously stated, explain that the expression "*new* setup of 1083" meant that "apparently there was a change in the construction of 1083 and the information on this folder" (referring to the folder 1083 *new* setup) "shows our *new* setup of 1083" (R. 83).

Concerning Questions 1-4 and 7-9 of the Petition

The proofs of prior use by respondent herein and which are presented by questions 1-4 and 7-9 of the petition utterly fail to meet the rigid tests as required by the decisions of this Court and the Circuit Courts of Appeal in various circuits, particularly the following tests:

(a) Such prior use must be established at least by more than a dubious preponderance if not beyond a reasonable

doubt. *Radio Corporation of America* v. *Radio Engineering Laboratories,* 293 U. S. 1, and the various citations therein of decisions of this Court and various Circuit Courts of Appeal.

(b) Uncorroborated oral testimony even of witnesses of the highest character is insufficient. *Deering* v. *Winona Harvester Works,* 155 U. S. 301; *Searchlight Horn Co.* v. *Victor Talking Machine,* 261 Fed. 395. Here, the testimony of the witness Miss Crouse, who was the only witness interrogated as to structure of the fabric "1838" shown in respondent's invoices, not only was uncorroborated but her testimony that fabric "1838" was of the same construction as "1838 new setup" was flatly opposed by other testimony of this witness respecting the meaning of the term "new setup of 1083", which was to the effect that it referred to a *change in construction* over 1083 and the information on the folder would show our *new* setup.

(c) Mere experiments not tested out and subsequently abandoned do not constitute prior use, which must be something more than an incidental or casual one. *The Corn Planter Patent,* 90 U. S. 211; *Gayler* v. *Wilder,* 10 How. 477; *Coffin* v. *Ogden; Ramsey* v. *Lynn,* 187 Fed. 218; *Boyd* v. *Cherry,* 50 Fed. 279.

(d) The prior use must not merely constitute an experiment and end on experiment, subsequently to be laid aside and abandoned. *Howe* v. *Underwood,* 1 Fisher 166.

Possibly the best test of the utter insufficiency of the case of prior use presented herein, is to consider the converse of the situation and assume that in attempting to prove infringement, counsel for Princeton had *merely* shown sales of fabric 1838 but *no written* record or other proof of its structure. Now let us also assume he introduced in evidence the folder Exhibit 64-G herein, dated November 16, 1936, and then contended, because of the existence of this folder, *all* fabric sold *after* November 16,

1936, *must* have been of the construction shown therein because no folder showing the structure of 1838 could be located. Would any court hold that such proofs established that the fabric 1838 infringed the patent in suit? Most certainly not. Yet proof of infringement need only be proved by a preponderance of evidence and not as in the case of a prior use—*beyond a reasonable doubt.*

Concerning Question 5 of the Petition

The Court of Appeals in holding that "There seems to be no reason to suppose that any popularity which the fabric enjoyed depended upon the successions of Claims One and Three" (these being the specific claims), apparently overlooked not only the fact that the three-and-three succession of "floats" and "inlays", which is the fabric structure of claim 1, is stressed in the last sentence of page 2, column 1, of the specification of the patent (R. 405), but is the *only* structure illustrated in the drawings and is the basis not only of claim 1 and also, as aptly stated by the Court of Appeals, "there must be in each repeat successions which are the same" as required by claim 3.

The advantages of this three-and-three succession are discussed by the petitioners' expert witness, Frank W. Dahn, at pages 200 and 201, wherein he especially directs attention to the fact in the same areas of two fabrics one of which has the "three-and-three succession" of floats and inlays, corresponding to column 1 on the Blackboard Exhibit reproduced at Record page 404, and the other of which has the "one-and-one succession" corresponding to column 2 on the blackboard, there are approximately one-quarter as many gaps to be covered in the "three-and-three" succession as in the "one-and-one" succession (R. 202).

This *combination* between the crowns of the loops of the jersey base fabric and the "inlays", which imparts run-resistance characteristics to the jersey base fabric, as referred to at pages 3-4 of the petition, cannot be realized if,

as in the case of Arcadia cloths 2386 and 2387 referred to in the opinion of the District Court (R. 423), where the float and inlays are three wales wide, as in that case instead of hugging the crown of each loop of the base fabric, the "inlays" wil each lazily extend across *three* wales of base fabric loops and form a hodge-podge fabric without imparting run-resistance characteristics to the jersey base fabric.

It is submitted that the importance of the "three-and-three succession" covered claim 1, the most specific claim, is accentuated by the slavish imitation of same by respondent in its fabric "1078" which it concedes infringes *all* the claims, if valid. Since respondent's adoption of this fabric structure covered by the specific claim 1 in 1938 respondent has sold millions of yards thereof (R. 330), whereas the sales of its fabric "1838" had virtually ceased on April 23, 1937, since during the balance of that year it sold but two lots, totalling 3 lbs. 5 ozs., and during the entire year of 1938 not a single ounce of the fabric 1838, whatever its structure, was sold (R. 389).

Concerning Question 6 of the Petition

The case of *Diamond Rubber Co.* v. *Consolidated Tire Co.*, 220 U. S. 428, 441, fits the situation presented by question 6 so perfectly that, if the name of petitioner herein be substituted for the Tire Company and the name of respondent for that of the Rubber Company and the name "Fluff Knit" be substituted for the name "Grant Tire", one reading the decision could easily imagine that it was based on the facts presented by the instant case.

From the foregoing it appears the Circuit Court of Appeals for the Second Circuit in the instant case has rendered a decision which is in direct conflict with the decision of the Circuit Court of Appeals in other Circuits and of this Court and which has seriously prejudiced the rights of your petitioner and injuriously affected an important nation-wide industry.

CONCLUSION

The reasoning expressed in the opinion of the Court below in finding claim 2 of the patent invalid because of prior use and claims 1, 3 and 4 invalid because of the invalidity of claim 2, is manifestly unsound, and is unwarranted either by the facts or the law of the case and is in irreconcilable conflict with the decisions of the Courts of Appeals of other Circuits and of this Court on the same subject, namely:

(a) as to the degree and sufficiency of the proofs required of a defendant who sets up a defense of prior use in order to establish invalidity of a patent;

(b) the necessity of introducing the "higher degree" of proof, not the "inferior degree" of proof, as required by the universal rule of evidence discussed in the aforesaid case of *Clifton* v. *United States*, ante, page 2; and

(c) as to the question of patentability of specific claims, irrespective of the invalidity of the broad claims, where it is shown that the defendant abandoned its alleged prior use before the issuance of the patent, slavishly copied the specific structure of the most specific claim of the patent in suit and thereafter extensively sold the copied structure.

We respectfully submit that for the reasons stated herein and in the annexed Petition for a Writ of Certiorari that the same should be granted.

W. Hastings Swenarton,
Attorney for Petitioner.

Benjamin Jaffe,
of Counsel.

APPENDIX

PERTINENT PROVISIONS OF STATUTES

Section 240(a) of Judicial Code, 28 U. S. C. 347, as amended by Act of February 13, 1925, 43 Stat. 938:

(a) In any case, civil or criminal, in a circuit court of appeals * * * it shall be competent for the Supreme Court of the United States, upon petition of any party thereto, whether Government or other litigant to require by certiorari, either before or after a judgment or decree by such lower court, that the cause be certified to the Supreme Court for determination by it with the same power and authority, and with like effect, as if the cause had been brought there by an unrestricted appeal.

Declaratory Judgment Act, 28 U. S. C. § 400:

In cases of actual controversy except with respect to Federal taxes the courts of the United States shall have power upon petition, declaration or other appropriate pleadings to declare rights and other legal remedies of any interested party petitioning for such declaration, whether or not further relief is or could be prayed and such declaration shall have the force and effect of a final judgment or decree and be reviewable as such * * *.

R. S. 4886:

Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor.

(12)

MAR 6 1942
CHARLES ELMORE CROPLEY
CLERK

Supreme Court of the United States

October Term 1941

No. 953

ARCADIA KNITTING MILLS, INC.,
Respondent,

vs.

PRINCETON KNITTING MILLS, INC.,
Petitioner.

RESPONDENT'S ANSWER TO PETITION FOR WRIT OF CERTIORARI, AND SUPPORTING BRIEF

HERMAN SEID,
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RESPONDENT ARCADIA'S ANSWER TO PETITION FOR WRIT OF CERTIORARI

This is an ordinary patent suit, adjudicated only in the Second Circuit. There has been no adjudication of the patent, No. 2,123,847, in any other circuit and so far as we are aware, no suit on this patent is pending in any other circuit. No unusual questions are involved. In fact, no question is involved except that arising from petitioner Princeton's refusal to accept the decision of the District Court, and the unanimous affirming decision of the Court of Appeals, that the patent, covering a simple construction of a cloth, is anticipated by cloths of the *same* construction made by respondent and another company prior to peti-

tioner's earliest date. The Courts below had the witnesses before them, the exhibits before them, and all the arguments of petitioner that the proofs of prior user were insufficient to anticipate. The Courts below rejected petitioner's contention and found that anticipation existed *beyond a reasonable doubt.* On this point the District Court held that anticipation existed not only because of prior use and sale of cloth 1838, on which Princeton founds its petition, but also because of prior use and sale of other cloths on which Princeton is silent:—two additional prior cloths of Arcadia, Nos. 2362 and 2294a and a prior cloth of Elkind Knitting Mills, Inc., exhibit 54. The Court of Appeals in effect held that anticipation was completely established by cloth 1838. The pertinent passages from the opinions sum up the issue:—

The District Court held (Rec. p. 422, 39 F. Supp. 156):—

> "Claims 2 and 4 of the patent are invalid because anticipated by prior knowledge and use. I am convinced *beyond any reasonable doubt* that Arcadia produced and sold in 1936 and 1937 to some sixteen manufacturers approximately 35,000 yards of cloth, known as 'Arcadia 1838', and small amounts of two other fabrics referred to as 'Arcadia 2294a' and 'Arcadia 2362' respectively, all of which had the *exact* arrangements of floats and inlays of claims 2 and 4, and another manufacturer, the Elkind Knitting Company, produced and sold a similar fabric during 1932 and 1934." (Italics ours.)
>
> "The validity of claims 1 and 3 depends upon whether or not making the floats and inlays one needle wide instead of two or more needles wide involves invention, the arrangements of floats and inlays being alike." * * *

> "The making of a fabric with an old arrangement of floats and inlays only one needle wide, instead of two or three needles wide, does not seem to me to amount to invention in view of the highly developed state of the art of knitting. To permit Princeton to have a monopoly on the ground that it or the patentee had discovered or invented something new would, I think, be depriving the public of knitting practices it had been using for years."

The Court of Appeals affirmed the finding that broad claims 2 and 4 were anticipated and held with respect to narrower claims 1 and 3, for which petitioner asks special consideration (Rec. p. 442, 124 F. (2d) 330):

> "There is no reason to support that any popularity which the fabric enjoyed depended upon the successions of claims 1 and 3; that is, that they made a more acceptable fabric than that which claim 2 added. The specifications do not suggest any superiority of one over the other; and it is plain that all are open to any one's choice, provided that the "one and one arrangement" itself is open. Certainly after *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. ——, 62 S. Ct. 37, 86 L. Ed. ——, we should not be warranted in hanging a patent upon so slender a thread."

The record does not support petitioner's assertions that any important Federal or other question is involved justifying a review by this Court.

BRIEF

Statement

The petition mistakenly asserts that serious questions of law are involved when, in fact, the only questions are (1) Whether certain cloths made by respondent anticipated the broad claims of petitioner's patent and (2) whether the narrow claims are patentable if the broad ones are anticipated.

The Circuit Court of Appeals affirmed the decision of the District Court that the proofs established manufacture and sale by respondent of thousands of yards of cloth prior to petitioner's earliest date, and that the structure of this cloth anticipated claims 2 and 4. Claims 1 and 3 differ from claims 2 and 4 in that they specify the use of *floats* three in one row then three in the next row instead of staggered every other row. The use of *floats* three in a row but somewhat wider than the *floats* petitioner says its claims cover was admitted by petitioner to be open to public use (Rec. p. 124). The Courts below held that in either event claims 1 and 3 were invalid as representing insignificant changes in arrangements of *floats* over invalid claims 2 and 4 covering staggered *floats,* or over the prior precise arrangement of *floats* which were of greater width.

Brief History

Petitioner Princeton owns Fleisher Patent 2,123,847 issued July 12, 1938, filed February 23, 1938, covering the structure of a cloth. Princeton threatened to sue, for alleged infringement of said patent, various manufacturers and their customers using certain cloth and selling

garments made of said cloth supplied by respondent Arcadia. Princeton failed to sue whereupon Arcadia filed suit under the Declaratory Judgments Act (Title 28, U. S. Code, Sec. 400) in order to stop Princeton's campaign of intimidation against Arcadia's customers and those who bought from them, such as department stores.

The whole issue in the litigation below resolved itself into a question of fact, and no question of law is involved other than the usual well established principles governing anticipation.

Contentions of Petitioner Not Supported by Record

This patent is of no special concern to the public but even if it were, there is no conflict between different circuits, no confusion because of legal unsettlement, and certainly no significant public interest involved requiring the grant of Princeton's petition.

Princeton is seeking to convert the questions of fact on which the Courts below concluded that the claims were anticipated into a non-existent question of law, relating to acceptance of proofs. The proofs in this case consisted of testimony of witnesses in open court, supported by records, book entries, and physical specimens of the prior uses, all of which Princeton was given complete opportunity to investigate. The Courts found as a matter of fact that these proofs established manufacture and sale of that which the claims covered prior to Princeton's earliest date. This is the sole question involved, and Princeton's attempt to turn this into a new question of law merely places a burden upon this Court, as well as upon respondent, not contemplated under accepted practice.

The Invention

As was described correctly in the decision of the District Court (Rec. p. 420)

> "The Fleischer patent was issued for a fabric, much similar to all knitted fabrics of this 'inlaid' type, which consists of two parts knitted together, (1) a plain jersey cloth base on which (2) yarn is laid in the form of floats and inlays. A 'float' is a loose piece of yarn laid upon the base fabric, and an 'inlay' is simply a continuation of the float which is interwoven with the base fabric and this upper side of the fabric may be brushed, if suitable yarns are used, to give it a fluffy appearance."

As was aptly pointed out by the trial court:

> * * * "*the claims are restricted to precise groupings or arrangements of floats and inlays on the basic knitted fabric.*"
>
> "The difference between the broad claims 2 and 4 and claims 1 and 3 is that in claims 2 and 4 the floats are staggered over two rows, whereas in claim 1 the floats must be three in a row and at least two in a row in claim 3" (Rec. p. 421, italics ours).

Shown in the opinion of the District Court (Rec. p. 420) is Exhibit 56, photo of a blackboard diagram used at the trial to indicate the arrangement of floats constituting the sole subject matter of the claims. In claims 2 and 4 the floats or laid on yarns are arranged in alternate rows, as shown in grouping (2) of the diagram, whereas claims 1 and 3 specify such use of floats three in one row and then three in the adjacent row, as shown in grouping (1) of the diagram.

The Prior Uses

While the prior art shows much use of floats and inlays in a wide variety of cloths, Arcadia primarily relied upon prior uses comprising cloths made by it and by Elkind Knitting Mills, Inc., prior to Princeton's earliest date of February 23, 1938. These prior uses were selected because the structures of these old cloths made by Arcadia and Elkind included the exact float groupings of each of the claims. While the different cloths employing these precise float groupings were made of yarn different in feel and appearance from the yarns used by Princeton, the float structures or groupings were precisely the same. The claims are not restricted to any particular type of yarns but are confined to *precise* float groupings without regard to type or appearance of yarns, which are matters of selection anyway, depending on the use to which different cloths are to be put.

Arcadia Cloths 1838, 2362, 2294a, and Elkind Cloth Exhibit 54 Anticipate Claims 2 and 4

In 1935 and 1936 Arcadia made and sold quantities of its cloths 1838, 2362 and 2294a and these cloths had the exact float grouping of claims 2 and 4 (Exhibits 64e, f, g, 80-82).

Prior to Arcadia's manufacture of these cloths, Elkind had made its cloth, Exhibit 54, which also had the exact float grouping of claims 2 and 4 (Rec. p. 31-34, 48, 49).

The cloths were produced in Court. The people who made the cloths were produced in Court and testified that these cloths had been made by them prior to Princeton's earliest date and had the exact float groupings of the claims. The men who set up the machines for making the respective cloths were produced in Court, identified the

cloths, testified when their manufacture took place, described the float groupings, and showed they were precisely as covered by the claims. In the case of all of Arcadia's cloths, invoices, book entries, and accounting records were produced tracing sales, delivery and payment of each of these cloths prior to Princeton's earliest date (Exhibits 80-82). Record folders showing when the cloths were first made up and authorized for production were produced in Court and Princeton was given four weeks in which to investigate the sales made by Arcadia to check whether the cloths as represented had actually been sold and paid for (Exhibits 64b-g, Rec. p. 303). Not a word is in the record nor was any attempt made by Princeton in any way to impeach the authenticity of these sales; and the facts are conclusive that the exhibits of record show the exact cloths which were made and sold prior to Princeton's earliest date and which completely anticipate the claims (Exhibits 64, e, f, g, c, d, 51, 52, 54).

Princeton is grasping at a straw in attacking a folder, Exhibit 64g, of cloth 1838, because this folder contains the words "new setup" and several invoices showed sales of cloth 1838, prior to the date on the folder. However, the testimony is clear that the folders were made up in the shop, as opportunity presented itself, *after* the cloths had been authorized for production, and the testimony is conclusive that Arcadia had only one cloth with the number 1838 and that this is the cloth which was sold to some sixteen manufacturers in an amount approximately 35,000 yards (Rec. p. 81, 95, 104, 391, 386-90). Some of this cloth was sold to customers of Princeton, and Princeton's investigations surely would have disclosed differences in structure, assuming such differences existed. Similarly, Princeton produced witness Sussman whose company had bought thousands of yards of this cloth and if the structure had

not been exactly as represented, this could easily have been brought out (Ex. 81, 82).

Claims 1 and 3 Similarly Anticipated

Arcadia cloths 2386 and 2387 used the precise arrangement of floats and inlays specified in claims 1 and 3, except the floats were three needles wide as illustrated in group (4) on the diagram (Rec. p. 420). Elkind cloths, Exhibits 51 and 52 also had the precise arrangement of floats and inlays specified in claims 1 and 3, except the floats and inlays were two needles wide, illustrated in group (3) on the diagram. The date of manufacture of these cloths was proved to the same degree as in the case of the cloths anticipating claims 2 and 4. Specimens of the cloths were produced. The people who made them were produced. (Exhibits 51, 52, 64c, d.)

Princeton admitted in open Court that the public has the right to make fabrics with the same arrangements of floats and inlays as shown in groups 3 and 4 of the diagram, with floats and inlays two and three needles wide (Rec. p. 124); but contends that claims 1 and 3 are confined to floats and inlays one needle wide, and bases its claim to a monopoly on this trivial difference.

The Courts below properly held that the difference between such an old arrangement with floats two or three needles wide, which the public has the right to use, and floats one needle wide, to which Princeton claims a monopoly, is too insignificant a difference on which to predicate invention. The District Court correctly pointed out that the Wildman knitting machine on which all of these cloths are made can very easily be adjusted to make floats, one

needle wide, two needles wide, or any other width. The law on this point is clearly laid down in the recent decision of this Court in *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. ——, 62 S. Ct. 37, 86 L. Ed. ——, citing *Atlantic Works v. Brady*, 17 Otto 192, 200.

CONCLUSION

We submit that there is no merit in the petition and that it should be denied.

Respectfully submitted.

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Arcadia Knitting Mills, Inc.

Syracuse, N. Y., March 7, 1942.